

STATE OF SOUTH CAROLINA

(Caption of Case)

Notice of Election of Piedmont Natural Gas  
Company, Inc. for Application of the Natural Gas  
Rate Stabilization Act to its Rates and Charges

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2005 - 125 - G

(Please type or print)

Submitted by: Scott Tyler

SC Bar Number: 12037

Address: Moore & Van Allen

Telephone: 704-331-2463

100 N. Tryon Street, Suite 4700

Fax: 704-378-1963

Charlotte, NC 28202-4003

Other: \_\_\_\_\_

Email: scotttlyer@mvalaw.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

- ☐ Emergency Relief demanded in petition      ☐ Request for item to be placed on Commission's Agenda expeditiously
- ☒ Other: Quarterly Monitoring Report for the Twelve-Month Period Ending September 30, 2008.

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input checked="" type="checkbox"/> Report	



December 12, 2008

**VIA ELECTRONIC FILING**

Mr. Charles Terreni  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Dear Mr. Terreni:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.  
Pursuant to S.C. Code §58-5-430  
Docket No. 2005-125-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending September 30, 2008, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or David Carpenter at 704-731-4242.

Sincerely,

s/ Jenny Furr  
Jenny Furr  
Manager, Regulatory Reporting

Enclosures

c: ORS – Carey Flynt (5 copies via email and overnight delivery)  
Scott Elliott  
James H. Jeffries IV

Net Operating Income and Rate of Return  
For The Twelve Months Ended September 30, 2008  
South Carolina  
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 214,866,090	\$ 10,191,129	\$225,057,219
Other Operating Revenues	1,025,441	-	1,025,441
Total Operating Revenue	<u>\$ 215,891,531</u>	<u>\$ 10,191,129</u>	<u>\$ 226,082,660</u>
Operating Expenses			
Cost of Gas	\$ 139,888,641	\$ 11,576,293	\$151,464,934
Other Operation & Maintenance	28,481,764	(\$159,029)	28,322,735
Depreciation	11,670,422	813,423	12,483,845
General Taxes	6,290,331	(20,368)	6,269,963
State Income Taxes	1,564,934	(522,507)	1,042,427
Federal Income Taxes	7,277,728	(368,437)	6,909,291
Amort. of ITC	(56,595)	-	(56,595)
Total Operating Expenses	<u>\$ 195,117,225</u>	<u>\$ 11,319,376</u>	<u>\$ 206,436,600</u>
Net Operating Income	<u>\$ 20,774,307</u>	<u>\$ (1,128,247)</u>	<u>\$ 19,646,060</u>
Interest on Customer Deposits	(132,576)	-	(132,576)
Amortization of Debt Redemption Premium	(14,539)	200	(14,339)
AFDUC	184,028		184,028
Customer Growth	90,824	(4,965)	\$85,858
Net Operating Income For Return	<u>\$ 20,902,044</u>	<u>\$ (1,133,012)</u>	<u>\$ 19,769,032</u>
Original Cost Rate Base			
Plant in Service	\$ 378,914,005		\$ 378,914,005
Accumulated Depreciation	(145,329,360)		(145,329,360)
Net Plant in Service	<u>\$ 233,584,645</u>	<u>\$ -</u>	<u>\$ 233,584,645</u>
Add:			
Construction Work in Progress	5,035,393		5,035,393
Materials and Supplies	27,418,509		27,418,509
Cash Working Capital	483,166	(19,879)	463,287
Deduct:			
Customer Advances for Construction	-		-
Customer Deposits	3,369,180		3,369,180
Accumulated Deferred Income Taxes	39,227,276		39,227,276
Unclaimed Funds	373,598		373,598
Total Original Cost Rate Base	<u>\$ 223,551,658</u>	<u>\$ (19,879)</u>	<u>\$ 223,531,780</u>
Return on rate base	<u>9.35%</u>		<u>8.84%</u>

Net Operating Income and Rate of Return  
For The Twelve Months Ended September 30, 2008  
South Carolina  
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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	After Accounting and Proforma Adjustments							
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 784,614,510	(50,858,772)	\$ 733,755,738	43.62%	\$ 97,504,562	6.90%	3.01%	\$ 6,729,765
2. Common Equity	897,539,864	50,858,772	\$ 948,398,636	56.38%	126,027,217	10.35%	5.83%	13,039,267
3. Total	<u>\$ 1,682,154,374</u>	<u>(0)</u>	<u>\$ 1,682,154,374</u>	<u>100.00%</u>	<u>\$ 223,531,779</u>		<u>8.84%</u>	<u>\$ 19,769,032</u>

CERTIFICATION

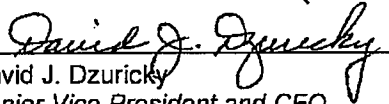
I, Thomas E. Skains and David J. Dzuricky, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains  
President and CEO

12/12/08

Date Signed



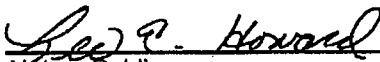
David J. Dzuricky  
Senior Vice President and CFO

12/12/08

Date Signed

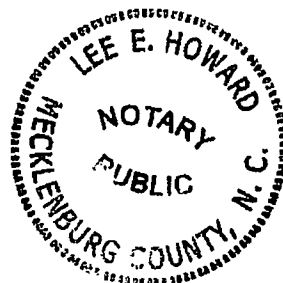
Subscribed and Sworn to before me this

12 day of December, 2008.

  
Notary Public

Lee E. Howard

My Commission Expires \_\_\_\_\_



MY COMMISSION EXPIRES 10-29-10